

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:588
ANSWERED ON:20.02.2003
UTILISATION OF FUNDS
IQBAL AHMED SARADGI

Will the Minister of DEFENCE be pleased to state:

- (a) whether Rs. 3000 crore kept for procurement of weapons are lying unutilised;
- (b) if so, the main reasons for not utilising the fund for purchase of weapons;
- (c) whether any inquiry has been conducted in this regard;
- (d) if so, outcome thereof;
- (e) if so, the action has been taken against those held responsible; and
- (f) the amount transferred to non-lapseable fund set up for the procurement of weapons and weapons system so far?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (e): A number of proposals for procurement of weapon systems and equipment for modernisation of Armed Forces are at various stages of the procurement process, like technical evaluation/trials and finalisation of prices and contractual terms, etc. The funds catered for such proposals can only be utilised on completion of these stages and on making payments as per contractual terms. All these stages cannot be unilaterally completed by the Government.

(f) The proposal for setting up a non-lapsable fund has not been approved and, therefore, no amount has been transferred to such fund.